CITY OF
WEST ST. PAUL

To: **Economic Development Authority Board**

From: **Ryan Schroeder, City Manager**

             Jim Hartshorn, EDA Executive Director

Date: **April 13, 2020**

Extension of the Oppidan Development Agreement

BACKGROUND INFORMATION:

On July 8, 2019, the EDA entered a development agreement with KTJ339 LLC (aka Oppidan) to construct a multi-family apartment building at the former Thompson Oaks golf course with a construction cost of $27,202,946. Within the development agreement was the requirement that the real estate closing occur on or before April 1, 2020, that construction plans be submitted by that same date and that construction commence by June 1, 2020 with completion by December 31, 2021.

Recently, KTJ has requested two extensions on the closing dates and construction starts, primarily due to COVID impacts upon other agency approvals and financing commitment uncertainties. Staff has granted those relatively minor extension requests.

KTJ, again due to the uncertainties created by the COVID pandemic, has requested an additional extension. We are bringing this extension to the Board for consideration with a positive staff recommendation. Of note is that the developer has conducted all other requirements within the development approvals to this point in time. Included is that construction plans have been submitted and it is anticipated that all approvals of those plans will be in hand prior to the end of April.

The request is that the real estate closing be extended to September 1, 2020. It would be anticipated that a construction start would occur closing on the heels of the property exchange and that project completion could still occur within the initial deadline dates. On that point, this is a pay as you go abatement project. Hence, the City would not anticipate negative financial impacts should 100% completion not be complete by that date.

FISCAL IMPACT: N/A

	Amount
Fund:	
Department:	
Account:	

STAFF RECOMMENDATION:

Grant the extension request to KTJ339 LLC to September 1, 2020..